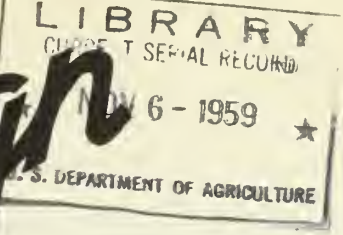


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Foreign



CROPS AND MARKETS

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SWEDEN MAY INCREASE CORN OIL IMPORTS

It is reported that Swedish imports of corn oil may rise sharply because of a prospective uptrend in processing foods that are high in unsaturated fatty acids. Even now corn oil is generally available throughout Sweden. The alleged relationship between consumption of saturated fatty acids and arteriosclerosis has prompted a leading manufacturer to make a "medicinal margarine" from vegetable oils high in unsaturated fatty acids, mostly corn oil.

Swedish imports of corn oil totaled 15,430 pounds in 1957, 50,708 in 1958, and 28,660 in January-May 1959. Slightly over one-half of the 1958 imports were from the United States and the rest from West Germany. No U. S. corn oil was imported in 1957.

SNOW COVERS CANADIAN FLAXSEED

Preliminary estimates indicate that possibly 10 million bushels of Canadian flaxseed were still unharvested when snow hit the Prairie Provinces in early October. The storms followed wet weather in September, and the weather combination was the most unfavorable for harvesting oilseeds, as well as grains, in several years. If warm weather prevails the next few weeks, much of the flaxseed may still be harvested this fall, and the rest possibly next spring. However, the loss in quantity and quality may be substantial.

U. S. SHARE IN WEST GERMANY'S TOBACCO IMPORTS DECLINES

The United States supplied 34.7 percent of West Germany's duty-paid imports of unmanufactured tobacco during the first half of 1959. The U. S. share was 36.3 percent for the January-June period of 1958.

Total imports from all sources were 79.6 million pounds this year, compared with 81.5 million for the first 6 months of 1958. Major suppliers this year included the United States, 27.7 million pounds, Greece, 16.8 million, Turkey, 6.2 million and the Federation of Rhodesia and Nyasaland, 4.6 million. Imports from the latter country were nearly 3 times those of January-June 1958. Italy also gained significantly, furnishing 3.6 million pounds against 2.8 million a year ago.

TOBACCO, UNMANUFACTURED: West Germany, duty-paid imports by country of origin, January-June 1958 and 1959

Origin	January-June 1958	Percent of total	January-June 1959	Percent of total
	1,000		1,000	
	<u>pounds</u>	<u>Percent</u>	<u>pounds</u>	<u>Percent</u>
United States.....	29,597	36.3	27,661	34.7
Greece.....	18,550	22.8	16,766	21.1
Turkey.....	6,866	8.4	6,174	7.7
Rhodesias-Nyasaland....	1,736	2.1	4,606	5.8
Brazil.....	4,526	5.6	3,603	4.5
Italy.....	2,821	3.5	3,601	4.5
Indonesia.....	2,899	3.5	3,397	4.3
Dominican Republic....	2,293	2.8	2,279	2.9
Bulgaria.....	1,857	2.3	2,009	2.5
Colombia.....	3,591	4.4	1,951	2.5
Japan.....	391	0.5	1,846	2.3
Canada.....	1,708	2.1	1,031	1.3
Thailand.....	775	0.9	928	1.2
Cuba.....	1,059	1.3	906	1.1
Soviet Union.....	686	0.8	652	0.8
Yugoslavia.....	864	1.1	542	0.7
Communist China.....	220	0.3	218	0.3
India.....	472	0.6	---	---
Others.....	572	0.7	1,462	1.8
Total.....	81,483	100.0	79,632	100.0

Der Aussenhandels der Bundesrepublik Deutschland, June 1959

VENEZUELAN CIGARETTE OUTPUT RISING RAPIDLY

Venezuela's output of cigarettes in 1958 totaled 3,985 million pieces--up 13 percent from the 3,539 million manufactured in 1957.

Cigarette output last year was about double that of 1950. Light cigarettes made up about 77 percent of the total. The remainder was dark, native types. Cigarette consumption in Venezuela in 1958 is estimated at 6,386 million pieces, with imported brands (mainly of U.S. origin) accounting for about 38 percent of the total.

Cigarette imports are being drastically curtailed by the government. Imports were sharply reduced beginning in September 1959, and it has been announced that after April 1, 1960, no import licenses will be issued. However, imports of unmanufactured tobacco amounting to a total of 5 million pounds will be permitted during 1960 and 1961. The curtailment of cigarette imports already has had adverse effects on U.S. cigarette export trade, since Venezuela is by far the largest overseas outlet.

CUBA EXPORTS MORE TOBACCO PRODUCTS

Cuba's exports of tobacco products--mostly cigars--were valued at \$12.5 million in 1958, compared with \$11.3 million in 1957.

Cigar exports at nearly 80 million pieces in 1958, were about 9 percent larger than the 73.5 million shipped in 1957. The value of cigar exports accounted for \$12.3 million last year, or 98 percent of the total value of all tobacco product exports.

Spain and the United States were the largest markets for Cuban cigars in 1958, taking 37.8 million and 23.2 million, respectively. Other important outlets included the United Kingdom, France, Venezuela, and Switzerland. The average price for cigar exports to the United States was 16.5 cents per piece, and to Spain, 12.9 cents.

Exports of other tobacco products included 30.2 million cigarettes and 67,000 pounds of pipe tobacco. Shipments of both were substantially larger than in 1957.

ITALIAN TOBACCO IMPORTS UP IN FIRST QUARTER 1959

Italy's tobacco imports during the first 3 months of 1959 totaled 8.7 million pounds--more than double the quantity imported in the first quarter of 1958. All imports during the 1959 period were oriental tobacco from Greece, Turkey, and Bulgaria.

Exports of unmanufactured tobacco from Italy during January-March 1959 dropped to 5.2 million pounds, compared with 7.4 million for the comparable period last year. West Germany was the principal outlet in both periods.

TOBACCO, UNMANUFACTURED: Italy, imports and exports
January-March 1958 and 1959

Country	Imports		Exports	
	January-March		January-March	
	1958	1959	1958	1959
	1,000	1,000	1,000	1,000
	pounds	pounds	pounds	pounds
Germany, West.....	--	--	2,851	2,499
Greece.....	3,266	3,726	--	--
Bulgaria.....	--	1,728	--	--
Egypt.....	--	--	346	--
Netherlands.....	--	--	558	--
Belgium-Luxembourg.....	--	--	88	--
Turkey.....	915	3,217	--	--
Switzerland.....	--	--	524	--
United Kingdom.....	--	--	552	--
United States.....	--	--	1,342	672
Others.....	--	--	1,113	2,037
Total.....	4,181	8,671	7,374	5,208

Statistica mensile del commercio con l'estero, March 1959.

DANISH RAPESEED PRODUCTION
TO CONTINUE UPWARD

Rapeseed production in Denmark should continue to increase in the 1960-61 crop year since the margarine industry has voluntarily agreed to absorb 10 percent of its oil requirements in the form of rapeseed oil produced from domestically grown rapeseed.

This would mean the use of rapeseed oil equivalent to 15,000 metric tons of homegrown rapeseed--6,750 tons more than 1959 production. However, Denmark's large fats and oils import requirements are not expected to be materially affected.

The margarine industry plans to pay the equivalent of 6.8 cents per pound for domestic winter rapeseed, and 6.2 cents for spring rapeseed.
(Continued on following page)

Danish rapeseed production in 1959 was up 6 percent over the 1958 harvest, which in turn was more than triple the 1957 crop. Mustard seed production also was up in 1959 for the second successive year. Flaxseed production, however, continued downward in 1959.

The 1959 area under rapeseed was one-fourth larger than in 1958, but yields were down. In 1957, only 2,570 acres were grown. Mustard seed acreage was about the same in 1959 as in the previous year, but flax acreage decreased nearly one-fifth. Both mustard seed and flaxseed yields improved this year.

OILSEEDS: Denmark, acreage, yield per acre, and
production, 1956-59

ACREAGE

Kind	1956	1957	1958	1959 ^{1/}
	<u>Acres</u>	<u>Acres</u>	<u>Acres</u>	<u>Acres</u>
Rapeseed.....	3,707	2,570	10,717	13,590
Mustard seed.....	12,355	8,401	14,831	14,826
Poppyseed.....	571	568	791	---
Flaxseed.....	2,718	4,230	3,022	2,471
Total.....	19,351	15,769	29,361	30,887

YIELD PER ACRE

	<u>Pounds</u>	<u>Pounds</u>	<u>Pounds</u>	<u>Pounds</u>
Rapeseed.....	1,015	1,910	1,600	1,340
Mustard seed.....	860	1,120	725	760
Poppyseed.....	650	425	445	---
Flaxseed.....	1,045	985	855	980
	2/ (19)	2/ (18)	2/ (15)	2/ (18)

PRODUCTION

	<u>Metric tons</u>	<u>Metric tons</u>	<u>Metric tons</u>	<u>Metric tons</u>
Rapeseed.....	1,704	2,224	7,766	8,250
Mustard seed.....	4,808	4,261	4,883	5,100
Poppyseed.....	168	110	160	---
Flaxseed.....	1,291	1,894	1,169	1,100
	3/ (51)	3/ (75)	3/ (46)	3/ (43)
Total.....	7,971	8,489	13,978	14,450

^{1/} Preliminary. ^{2/} Bushels. ^{3/} Thousand bushels.

Compiled from official sources.

THAILAND'S RICE
EXPORTS DOWN

Rice exports from Thailand from January through August were 700,000 metric tons, down 200,000 tons from the comparable period of 1958. Virtually no rice was shipped to Indonesia, the Philippines, and Pakistan. In January-August 1958, a total of 196,000 tons was exported to those countries.

Exports of better-grade rice to the Near East were more than double the nearly 50,000 tons exported in the first 8 months of 1958, and shipments to Japan increased.

RICE (MILLED): Thai exports, January-August, 1958 and 1959

Country of destination	January-August		Country of destination	January-August	
	1958	1959		1958	1959
	Metric tons	Metric tons		Metric tons	Metric tons
Asia:			Europe:		
Arabian States....	49,073	56,823	Belgium.....	4,650	1,295
Red Sea Area.....	0	53,256	Germany, West..	14,760	2,816
British Borneo....	36,706	34,077	Netherlands....	34,928	20,450
Hong Kong.....	107,457	100,524	United Kingdom :	16,972	13,245
Indonesia.....	114,200	200	Africa.....	36,243	39,245
Japan.....	45,209	70,817	Mauritius.....	10,549	5,720
Malaya.....	106,087	119,967	Seychelles.....	1,500	0
Singapore.....	173,331	146,820	Oceania.....	8,403	10,814
Pakistan.....	30,005	0	West Indies.....	34,440	0
Philippines.....	51,978	0	Other countries..	4,464	10,615
Ryukyu Islands....	19,100	13,400	Total.....	900,055	700,084

Source: East Asiatic Company.

If the January-August rate of rice exports continues this year, 1959 exports will total only around 1 million tons. Early in the year, the government's target was 1,200,000 tons, compared with 1,132,000 tons in 1958.

The main reason for the low rice exports has been the withholding of stocks by upcountry dealers. At the same time, domestic rice prices have increased.

To ascertain the country's supplies of rice the government on September 15 requested all holders of more than 5 metric tons (11,023 pounds) of rough rice to report stocks on hand. Stocks as of October 1 were reported by October 12, and stocks of November are to be reported by November 12.

INDONESIA TO TRADE RAW MATERIALS TO UAR FOR MANUFACTURED GOODS

Indonesia has agreed to trade coffee, tea, rubber, and wood to the United Arab Republic for manufactured goods. Payment of the cost of the trade exchange will be in convertible sterling or any other convertible currency acceptable to both countries. The volume of trade has not been fixed.

CANADA'S 1958-59 FLOUR PRODUCTION DOWN

Canada's wheat flour production during the marketing year ended July 1959 was slightly less than millings for the previous year. Preliminary estimates place total wheat flour production in 1958-59 at 39.8 million cwt. compared with 40.8 million in 1957-58. This would be, with the exception of 1956-57, the smallest production of recent years.

WHEAT FLOUR: Canadian production and exports, 1935-36 through 1958-59

Year beginning August 1	Wheat milled	Flour produced	Flour exported
	1,000 <u>bushels</u>	1,000 <u>cwt.</u>	1,000 <u>cwt.</u>
Average:			
1935-39.....	67,845	29,405	9,604
1940-44.....	99,705	43,908	23,700
1945-49.....	107,330	47,012	25,820
1950.....	106,748	46,315	24,357
1951.....	104,494	44,771	22,258
1952.....	106,727	46,777	24,609
1953.....	91,855	40,770	20,143
1954.....	92,407	40,607	17,693
1955.....	91,770	40,149	17,391
1956.....	85,149	37,623	14,582
1957.....	92,289	40,820	17,557
1958 1/.....	90,151	39,830	15,943

1/ Preliminary.

From reports of the Dominion Bureau of Statistics.

Flour production for 1958-59 was at its highest in November, when total output reached 3.9 million cwt. Low for the season was 3.0 million cwt. in March. Flour exported during the year was 15.9 million cwt., according to preliminary Customs returns. Extraction rates averaged 73.6 percent.

WORLD COARSE GRAIN TRADE SHOWS CONTINUED GROWTH

The volume of world coarse grain trade has increased steadily and rapidly over the past 5 years.

The preliminary total of trade data for 1958-59 shows that another record was established. Well over 23 million short tons of coarse grains moved in international trade during the past year. About 21.2 million moved in 1957-58, and an average of only about 15 million tons from 1951 through 1955.

General economic improvement in much of the world has been the major factor contributing to the growth in coarse grain trade. Also, in those areas where income levels and standards of living were already relatively high--such as in Japan and much of Europe--increased incomes have increased demand for livestock products, and consequently for livestock feed.

The demand for imported feedstuffs continues to grow in 1959-60. Trade volumes thus far appear headed for another record, probably in the neighborhood of 25 million tons.

Coarse grain production this past season increased considerably in parts of Europe, but again seems to have fallen short of the growth in coarse grain needs. Moreover, pasture conditions during late season in many parts of Europe are known to have been unusually poor, thus adding to the need for other feed materials.

World coarse grain exports, by major sources, 1951-55 average, and annual 1955-56 through 1958-59, year ending June 30

Country	Average 1951-55	1955-56	1956-57	1958-59	1958-59 <u>1/</u>
	1,000	1,000	1,000	1,000	1,000
	short tons	short tons	short tons	short tons	short tons
United States.....	5,003	8,469	7,024	9,301	12,017
Canada.....	2,866	1,786	2,397	2,375	2,196
Australia.....	726	793	854	551	1,175
Argentina.....	1,720	1,405	2,297	2,628	3,077
France.....	65	51	1,770	764	125
U.S.S.R.	543	176	1,535	534	2/
Others.....	3,985	4,652	3,610	5,044	3/ 4,800
World total.....	14,908	17,332	19,487	21,197	23,390

1/ Preliminary. 2/ Included in "others". 3/ Foreign Agricultural Service estimate, includes U.S.S.R.

PERU EXPORTING MORE SUGAR

January-September 1959 sugar exports from Peru are reported at 337,000 short tons, tel quel. This is some 20 percent above exports during the same period in 1958. This year's shipments (in tons) went to: United States (62,000), Japan (72,000), Chile (114,000), United Kingdom (38,000), Bolivia (25,000), others (26,000).

Peru is a member of the International Sugar Agreement, with a current 1959 quota of 432,000 short tons, raw value. The Peruvian quota under the United States Sugar Act is 91,000 short tons, raw value.

TOGO'S MAIN-CROP CACAO SEASON OPENS

French Togo's principal cacao-buying season for the 1959-60 crop opened officially on October 5. The grower support price for cacao beans which conform with quality control regulations has been fixed at the equivalent of 18.1 cents per pound). The export support price, f.o.b. Lome, is fixed at 24.7 cents per pound.

If the bi-weekly average price f.o.b. Lome is below the current support rate, cacao purchases beginning on the following week will require prior authorization by the Director of the Stabilization Fund. Applications for export permits must be accompanied by a certified copy of the sales contract covering the shipment.

ARGENTINE GRAIN EXPORTS CONTINUE
HIGHER THAN LAST YEAR

Argentine grain exports during July-August 1959 totaled 1,031,000 metric tons. This was about 35 percent higher than July-August 1958 exports of 762,000 tons. Wheat and corn were up by 278,000 tons.

Although wheat exports to Brazil increased in volume, they did not make up as large a percentage of total exports in July-August 1959 as in July-August 1958 (58 percent, against 69 percent). The volume of exports to West Germany, the United Kingdom, and Paraguay also increased; and France and Lebanon imported a total of 24,000 tons this year, in contrast to none in July-August last year. However, the Netherlands took less Argentine wheat in the 2-month period this year, while Belgium-Luxembourg, Denmark, Norway, and Sweden took none at all.

Italy and the Netherlands took 56 percent of the total corn exported during July-August 1959. Other large markets were Japan, Belgium-Luxembourg, West Germany, and the United Kingdom. Exports to the latter were 27,000 tons below those in July-August 1958.

Rye and barley exports during July-August 1959 were more than double those of a year earlier. West Germany took a major portion of these grains. Exports of oats amounted to less than 1 percent of the total grain exported during July-August 1959.

GRAIN: Argentine exports, July-August 1958 and July-August 1959

Destination	Wheat	Rye	Corn	Oats	Barley	Total
	Metric tons	Metric tons	Metric tons	Metric tons	Metric tons	Metric tons
July-August 1958:						
United States	--	--	1,610	--	--	1,610
Brazil	237,082	--	--	5,294	1,500	243,876
Paraguay	8,550	--	--	--	--	8,550
Peru	7,200	--	--	--	--	7,200
Belgium-Luxembourg :	2,369	1,500	20,666	2,530	--	27,065
Czechoslovakia	--	--	--	1,500	--	1,500
Denmark	1,400	300	--	1,200	--	2,900
West Germany	38,712	3,100	16,862	17,959	13,410	90,043
Italy	--	210	90,268	--	--	90,478
Netherlands	12,580	3,850	99,758	10,161	4,695	131,044
Norway	4,050	--	1,448	--	--	5,498
Rumania	--	1,000	--	1,150	--	2,150
Sweden	800	--	1,300	1,190	--	3,290
Switzerland	--	--	740	420	--	1,160
United Kingdom	29,812	--	65,042	2,286	--	97,140
Japan	--	--	46,530	--	--	46,530
North Africa	--	--	1,605	--	--	1,605
Total	342,555	9,960	345,829	43,690	19,605	761,639
July-August 1959:						
United States	--	--	1,625	--	--	1,625
Brazil	251,985	--	--	492	4,457	256,934
Chile	26,996	--	--	--	--	26,996
Paraguay	16,985	--	--	--	--	16,985
Peru	8,000	--	360	--	--	8,360
Uruguay	--	500	840	1,000	5,305	7,645
Austria	--	2,389	165	--	--	2,554
Belgium-Luxembourg :	--	--	49,132	--	--	49,132
Denmark	--	200	725	1,000	--	1,925
France	14,760	--	2,890	--	--	17,650
West Germany	57,115	11,905	43,614	1,000	26,412	140,046
Italy	--	798	184,563	--	2,038	187,399
Netherlands	8,876	600	114,843	--	2,358	126,677
Sweden	--	1,200	2,850	--	--	4,050
Switzerland	--	--	5,899	--	--	5,899
United Kingdom	42,585	800	38,201	--	--	81,586
Japan	--	--	85,194	--	--	85,194
Lebanon	8,820	--	--	--	1,350	10,170
Total	436,122	18,392	530,901	3,492	41,920	1,030,827

BURMA'S RICE EXPORTS AHEAD OF YEAR AGO

September rice exports from Burma, at 175,000 long tons, brought the January-September total to 1,328,000 tons. This was well ahead of the 1,129,000 tons exported in the comparable period of 1958.

Stocks of rice and rice products on September 23 were reported at 1.1 million tons (1,490,000 tons paddy equivalent). Of this volume, 200,000 tons in terms of milled rice were from crops prior to 1958-59.

CEYLON IMPORTS MORE RICE

Ceylon's rice imports in January-August were 777 million pounds, up 20 percent from the same period of 1958. More rice was imported from Burma, Communist China, and the United States. None was imported from Egypt and Thailand, two relatively minor sources in 1958.

RICE (milled): Imports into Ceylon, by country of origin,
January-August 1959, with comparisons

Country of origin	Average 1951-55	1957	1958	January-August	
				1958	1959
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Burma.....	486	683	371	192	292
Communist China.....	283	359	549	365	400
Egypt.....	0	0	1/ 54	1/ 54	0
South Vietnam.....	10	0	22	21	23
Thailand.....	12	109	15	15	0
United States.....	28	0	50	0	50
Other countries.....	65	2	2	0	12
Total.....	884	1,153	1,063	647	777

1/ Reexported.

Source: Ceylon Customs Returns.

Calendar year 1959 imports of rice into Ceylon are expected to be around 1,250 million pounds, compared with 1,063 million in 1958. Sources will be (in million pounds): Communist China, 562; Burma, 493; United States, 134; South Vietnam, 39; Pakistan, 22.

The f.o.b. price agreed upon--\$3.88 per 100 pounds--for the first 150,000 metric tons (331 million pounds) of Chinese rice was based on the minimum cost of Burmese rice. It did not include costs of additional freight (about 22 to 25 cents per 100 pounds) and gunnies (13 cents per 100 pounds) paid for Chinese rice.

The f.o.b. price of rice from Burma up to August 1959 was \$4.27 per 100 pounds for the first 110,000 long tons (246 million pounds); \$4.14 per 100 pounds for 90,000 tons (202 million pounds), and \$4.22 per 100 pounds for some grades of 20,000 tons (45 million pounds). According to a trade agreement of September 25, Ceylon will import 300,000 long tons (672 million pounds) of Burmese rice annually for the next 4 years. The basic price for the 1960 quota will be £ 32 per long ton (approximately \$4.00 per 100 pounds).

Vietnamese rice imported through August cost \$4.42 per 100 pounds, f.o.b., and Pakistani rice (high-quality, long-grain), \$5.40 per 100 pounds. F.o.b. prices for U. S. rice under Public Law 480 ranged from \$5.50 to \$5.61 per 100 pounds.

Average c.i.f. prices for rice imports in the first 8 months of 1959 were as follows (dollars per 100 pounds): Burma, 4.60; China, 4.35; Pakistan, 5.62; South Vietnam, 4.76; and U.S. 7.28.

AUSTRALIA TO SEND MORE BEEF TO WEST GERMANY

Australia expects to boost its exports of beef and other meats to West Germany during 1960. Under a recent trade agreement, Australia has an opportunity to ship 14.3 million pounds of beef to West Germany during the year ended June 1959.

AUSTRALIA'S "GOLDEN" FLEECE SHEEP USED FOR RESEARCH

Research is now being conducted in Australia on Merino sheep born with a luster mutant, yellow fleece.

Only seen in pure-bred Merinos, the mutation results are most unusual. The lamb's fleece is bright yellow and very straight, without separate staples or curls. The mature fleece is also very lustrous. It is of normal staple length, has no crimp, and is usually matted. Despite its luster and lack of crimp, the wool grades about 64's in fineness. Fiber density and fleece weight are only about half that of a normal fleece.

About 30 of the luster mutant sheep have been assembled at the C.S.I.R.O. Sheep Biology Laboratory in Prospect, Australia. They provide unique material for fiber and textile research and for genetic and physiological studies of fleece structure and wool production.

Previously the yellow-wooled freaks were culled as lambs, but research may show some valuable end-uses. The wool felts much faster than normal wool of similar diameter and may be useful in felt hats. Other important outlets may be the specialty fiber market, where manufacturers are always looking for unusual effects and for man-made fur material.

CHILE TO IMPORT BEEF BREEDING CATTLE

The Government of Chile has made arrangements through the Banco del Estado to provide credit for imports of beef breeding cattle. Angus and Hereford heifers are to be imported from Argentina, but this development may stimulate demand for U.S. bulls of these breeds.

Herefords, imported from the United States and kept in a government demonstration herd in Chile, were shown at Chile's National Livestock Show this month.

ARGENTINE SLAUGHTER SLACKENS

Argentine cattle numbers are expected to increase sharply if the current low slaughter continues. Meat Board figures show cattle slaughter in the first 9 months of 1959 in registered packing plants and slaughter houses totaled 3,152,000 head, or 32 percent less than a year earlier.

The Meat Board estimated current numbers on farms at 37 million head (apparently as of June 30), compared with a peak of 47 million in mid-1956.

The U.S.-owned Swift meat packing plants at La Plata and Rosario are being permitted to modernize their plants with \$10.5 million worth of new equipment which will be imported duty-free.

CHIHUAHUA ANNOUNCES CATTLE EXPORT QUOTA

The Northern Mexican State of Chihuahua has announced that its cattle export quota for the year ending August 31, 1960, has been set at 172,420 head. Of this amount, one-third must be exported as meat (see Foreign Crops and Markets, October 19, 1959).

Pastures are now in good condition in Chihuahua. Ranchers are rebuilding their herds which had suffered from drought previous to 1958. Cattle are reported in good condition and weighing approximately 20 percent more than did those of similar age last year. According to the State Cattle Union, there are now from 1.5 to 1.7 million head of cattle in Chihuahua.

During the 3 months ended August 1959, 3,467 head of cattle were exported from Chihuahua, 50 percent below exports during the same period a year earlier. There were also 2,259 cattle slaughtered for export in Juarez during the period, 65 percent below last year.

Pastures in the important cattle-producing States of Durango and San Luis Potosi are also reported in good condition. The strong demand by ranchers for animals to restock pastures has pushed cattle prices up sharply, although exports have fallen off.

MEXICAN PRODUCTION OF HIDES AND SKINS IN 1958

Mexico's production of hides and skins in 1958 includes an estimated 3 million cattle hides and calf skins, 920,000 sheep and lamb skins, and 650,000 goat and kid skins.

Domestic production does not meet consumption needs. The United States exported 330,000 cattle hides and 108,000 sheep and lamb skins to Mexico in 1958.

AIR SHIPMENT OF NEW ZEALAND MEAT POSSIBLE

The New Zealand Meat Producer's Board is studying the practicability of air shipments of meat. Cargo planes could carry fresh meat to the United States in 19 hours. New Zealand air transport operators are also interested in flying meat to Britain.

The air transport operators claim the Canadair C144 turbo-prop aircraft could carry 32-ton cargoes across the Pacific at a cost of 3.69 cents per ton mile provided a 60-percent backloading to New Zealand is possible. Finding enough suitable cargo for return flights to New Zealand has been the major difficulty in developing the project.

Auckland, New Zealand, is about 6,300 air miles from Los Angeles. Therefore, the freight rate on meat by air would be about 12 cents per pound, or about 3 times the rate for frozen meat by boat.

Evidence of the importance attached to the proposed plan is contained in the Meat Export Control Amendment Bill now before Parliament. This bill empowers the New Zealand Meat Producer's Board to control negotiations of freight contracts for meat exported by air. The Meat Board now controls the negotiation of sea freight rates. The bill would also enable the Meat Board to buy meat produced in New Zealand and sell it in foreign countries to maintain or develop markets. Meat Board representatives believe that private traders have been slow to exploit new markets for lamb, particularly in North America. Export firms are opposed to the Meat Board's entrance in the export trade.

One difficulty in selling New Zealand lamb in the United States is that the frozen product is not as acceptable as fresh U.S. lamb. Some chilled lamb has been received in the United States after a boat trip of about 20 days, but unfrozen lamb is usually not held that long in transit. Air shipment would make supplies of New Zealand chilled lamb available in the United States on a regular basis and the meat would arrive in excellent condition.

WEST GERMANY'S CHEESE IMPORTS INCREASE

During the first 7 months of 1959, West Germany imported 132 million pounds of cheese, an increase of 4 million pounds over comparable 1958. The Netherlands, again the chief supplier, shipped 57 million pounds, followed by Denmark with 56 million pounds. The balance came mostly from Switzerland, Finland, Norway, Sweden, France, and New Zealand.

VENEZUELA PLANS DEVELOPMENT OF MEATPACKING INDUSTRY

The Government of Venezuela intends to invest 18 million bolivars (\$5.3 million) within the next few years for development of the meat-packing industry and the modernization of existing plants. Part of the government investment will be in private plants.

Regional cattlemen's associations have proposals for the establishment of cooperative plants. The National Cattlemen's Association has plans for a 5-million-bolivar (\$1.5 million) plant to be located in the city of El Tinaco in the State of Cojedes. Dr. Augusto Viso, Secretary of the National Cattlemen's Association, has informed the U. S. Agricultural Attache in Caracas that participation of U. S. capital in this enterprise will be welcomed.

Venezuela is striving for self-sufficiency in meats. However, the government intends to allow imports of hams and other meat products until the domestic industry can supply the local demand.

AUSTRALIAN BEEF SHIPMENTS TO U. S. AND CANADA IN OCTOBER AND NOVEMBER

Nine ships are scheduled to leave Australia during October and November with 12,801,000 pounds of beef for the United States and Canada. Exact destinations are not known, but most of this beef is expected to come to the United States. Quantities listed may be changed some before the ships sail.

Ship	Sailing date (tentative)	Quantity (1,000 pounds)
Port Lincoln.....	October 8	7,728
Mariposa.....	Do 16	166
Pioneer Surf.....	Do 30	72
City of Birkenhead.....	Do 30	134
Anna Bakke.....	October	137
Port Chalmers.....	November 6	190
Northumberland.....	Do 6	4,330
Wharanui.....	Do 22	22
Elizabeth Bakke.....	November	22

World butter and cheese prices: Wholesale prices at specified markets,
with comparisons
(U. S. cents per pound)

Country, market, and description	Butter				Cheese			
	1959	Quotations			1959	Quotations		
		Cur- rent	Month earlier	Year earlier		Cur- rent	Month earlier	Year earlier
United Kingdom (London)								
New Zealand, finest	Oct. 1	49.0	49.0	29.4				
Australian choicest	Oct. 1	48.9	48.9	29.2				
New Zealand, finest white					Oct. 1	36.4	36.4 23.9	
Australian choicest white					Oct. 1	35.9	- 22.9	
Australia (Sydney)								
Choicest butter	Oct. 1	48.5	48.5	48.5				
Choicest cheddar					Oct. 1	29.2	29.2 29.2	
Irish Republic (Dublin)								
Creamery butter	Oct. 1	54.8	54.8	54.8				
Cheese					Oct. 1	30.8	30.8 30.8	
Denmark (Copenhagen)	Sept.24	46.1	46.2	31.3				
France (Paris)								
Charentes creamery	Oct. 2	81.4	78.7	75.8				
Germany (Kempten)								
Markenbutter	Sept.30	68.4	67.3	65.4				
United States								
92-score creamery (N.Y.)	Sept.25	62.9	61.4	62.0				
Cheddar (Wisconsin)					Sept.25	31.5	31.5 35.0	
Netherlands (Leeuwarden)								
Creamery butter	Sept.28	56.4	50.4	35.2				
Full cream Gouda					Sept.28	27.6	24.1 20.9	
Edam, 40 percent					Sept.28	25.0	22.3 19.6	
Belgium (Hasselt)	Oct. 1	76.9	74.8	73.5				
Canada (Montreal)								
1st grade creamery	Sept.26	66.7	66.4	64.8				
Ontario white					Sept.26	36.9	36.7 34.2	

U. K. IMPORTING LESS
BUTTER, MORE CHEESE

The United Kingdom imported 630 million pounds of butter in the first 8 months of 1959. This was 31 million pounds less than in the same period of 1958.

New Zealand continued to be the major supplier, but to a lesser degree, as imports from that country were down 5 million pounds. Supplies from Denmark were up slightly, and shipments from Australia rose 42 million pounds to reach 106 million. The decline in total imports was mainly due to reduced imports from the small Western European suppliers. Imports from the Netherlands, Ireland, and Sweden totaled only 25 million pounds, compared with 104 million in the same period of 1958.

Imports of cheese rose 12 percent to 194 million pounds. Greatly increased supplies from the Netherlands, Australia, Norway, Switzerland, and Canada more than offset smaller takings from New Zealand and Denmark.

Canned milk imports were 19.2 million pounds, compared with 4.7 million last year. About 78 percent was evaporated whole milk, mostly from the Netherlands.

Imports of nonfat dry milk in the January-August period were 117 million pounds, an increase of 67 million pounds over a year ago. New Zealand shipped 50 million pounds, Australia 35 million pounds, and the Netherlands 12 million pounds. Other heavy suppliers were Belgium, France, and Canada.

Dry whole milk imports rose from 12.3 million pounds in January-August 1958 to 23.3 million pounds in January-August 1959. The Netherlands supplied 7.8 million pounds, New Zealand 5.9 million, and Denmark 3.5 million. Other supplying countries were Ireland, Australia, Austria, and Belgium.

INDIA AND BURMA SIGN
RICE AGREEMENT

An agreement for the purchase by India of 150,000 long tons of Burmese rice from the 1958-59 crop was concluded in New Delhi on September 29, 1959. India will pay for the rice in nonconvertible Indian rupees which Burma will use to buy manufactured products from India. Burma will deliver the agreed quantity of rice within the next 3 months. Burma's purchase of manufactured products from India is to be completed within the next 12 months.

The price paid by India for the 150,000 tons of Burmese rice is reported to be £ 32 per ton (\$4.00 per 100 pounds) paid in rupees, the same as that which Burma will receive for 300,000 tons of rice recently sold to Ceylon.

U.K. IMPORTS 15 PERCENT OF WORLD WHEAT AND FLOUR TRADE

The United Kingdom imported 5.3 million metric tons (195 million bushels) of wheat and flour during the fiscal year ending June 30, 1959. This was 15 percent of the preliminarily estimated world total exports of 34.3 million tons (1,260 million bushels). Wheat imports amounted to 4.7 million tons or 174 million bushels, and flour imports were 565,000 tons or 21 million bushels.

Total imports during 1958-59 were 191,000 metric tons larger than 1957-58, when they were 16 percent of the world total (32.4 million tons). The prewar imports averaged 5.8 million tons, or about 32 percent of the world exports.

Canada is the principal source of the wheat and flour. Total imports from Canada during 1958-59 were slightly below the year before. The United States replaced France as the second largest supplier of wheat in 1958-59. Supplies from Australia and the Soviet Union also increased substantially. Imports of flour from the United States were considerably above those in 1957-58, and imports from France were also above the previous year.

WHEAT AND FLOUR: U.K. imports, July-June 1957-58 and July-June 1958-59

Country of origin	July-June 1957-58			July-June 1958-59		
	Wheat	Flour 1/	Total	Wheat	Flour 1/	Total
	Metric tons	Metric tons	Metric tons	Metric tons	Metric tons	Metric tons
United States	603,523	14,899	618,422	639,280	83,283	722,563
Canada	2,471,905	366,755	2,838,660	2,377,743	381,569	2,759,312
Argentina	383,631	2/	383,631	512,879	2/	512,879
Australia	258,336	59,056	317,392	521,949	55,952	577,901
Belgium-Luxembourg:	39,369	2/	39,369	14,839	2/	14,839
France	727,083	7,794	734,877	119,513	20,966	140,479
U.S.S.R.	55,255	2/	55,255	129,608	2/	129,608
Others 3/	96,004	25,872	121,876	419,401	23,113	442,514
Total	4,635,106	474,376	5,109,482	4,735,212	564,883	5,300,095
Equivalent, 1,000 :	:	:	:	:	:	:
bushels ...	170,309	17,430	187,739	173,987	20,756	194,743

1/ Grain equivalent. 2/ If any, included in "others". 3/ No further break-down available.

Present indications are that U.K. imports of wheat and flour in 1959-60 will be as large as in 1958-59. This estimate is based on the prospects of a harvest about the same size as that in 1958.

DROUGHT REDUCES EUROPEAN FEED SUPPLIES

Continued drought is creating serious feed problems over much of Europe, and is delaying the seeding of winter grain crops for harvest in 1960. Widespread drought during the growing season threatened the 1959 crop, but did not seriously damage grains; fall pastures and forage were chiefly affected.

Drying up of fall pastures made it necessary to begin feeding much earlier than usual in some countries. This, together with small hay and root crops, is expected to increase demand for U.S. feedstuffs in certain areas. Serious shortages of feed and fodder have been reported in Belgium, Denmark, and West Germany.

Though the drought was widespread, conditions in southern Europe were favorable during the 1959 growing season, with record or near-record grain crops reported in France, Spain, Greece, and Yugoslavia. Substantial grain surpluses will be available from some of these countries in the 1959-60 marketing season. Now, however, drought is holding up seeding in France, and dryness is reported in Italy as well as in northern areas.

IRANIAN DATE PACK DOWN

Iran's 1959 date pack is estimated at 125,000 short tons. This is 15,000 tons less than last year's crop. Quality of the 1959 pack is reported to be slightly inferior to that in 1958.

DATES: Iran, supply and distribution, 1957-59
marketing year beginning August 23

Item	: 1957	: 1958	: Forecast
	: Short tons	: Short tons	: 1959
	: Short tons	: Short tons	: Short tons
Beginning stocks, August 23.....	0	0	0
Production.....	115,000	140,000	125,000
Imports.....	3,300	600	600
Total supply.....	118,300	140,600	125,600
Exports.....	28,700	30,000	35,000
Domestic consumption.....	89,600	110,600	90,600
Ending stocks, August 22.....	0	0	0
Total distribution.....	118,300	140,600	125,600

Unlike the situation for other Iranian dried fruits, the export market for dates is active. In addition to normal demand, a number of buyers are seeking additional supplies in case they cannot get their usual supply from Iraq or find it desirable to permanently shift their source of dates because of difficulties in Iraq.

Producers and exporters of the Khuzistan area have organized a marketing association to improve the quality of their dates and promote sales.

The Bam and Jahron areas are also organizing marketing agencies and improving their date packs preparatory to entering the export market. They are not expected to enter it this season.

Iranian date exports for the 9-month period, August 23, 1958, through May 22, 1959, amounted to 28,313 short tons. Exports for the entire 1957-58 marketing season were 28,692 tons.

DATES: Iranian exports by country of destination, crop year 1957-58 and 9-month period of 1958-59

Country of destination	: Aug. 23 - Aug. 22 : : 1957-58 :	: Aug. 23 - May 22 : 1958-59 :
	: <u>Short tons</u> :	: <u>Short tons</u> :
United States.....	5,646	4,867
Germany 1/	1,013	565
United Kingdom.....	1,958	1,904
India.....	2,130	2,595
Kuwait.....	2,436	1,937
Oman.....	10,189	10,870
U.S.S.R.	4,665	2,886
Other.....	655	2,689
Total.....	28,692	28,313

1/ Iranian statistics do not differentiate between East and West Germany.

Small quantities of dates are imported from Iraq. These are generally for consumption in limited areas near the border.

The export price for dates, as of October 1, f.o.b. Khorramshahr (Persian Gulf) was reported at 6.5 cents per pound. The comparable quotation a year earlier was 5.5 cents.

CANADA'S DRIED APPLE PRODUCTION BECOMING LESS IMPORTANT

Canada's dried apple production for the 1959-60 season is unofficially estimated at between 200 and 300 short tons.

Dehydrated and evaporated apples are the only dried fruit of significance produced in Canada, and they are becoming less important each year. Last year's pack was 250 tons; the 1952-56 average was 600 tons. (Continued on following page.)

APPLES: Canadian production of fresh and dried apples,
5-year average (1952-56) and annual 1956-59

Year	Apple production	
	Fresh	Dried <u>1/</u>
	<u>Million bushels</u>	<u>Short tons</u>
1952-56 average.....	13.9	600
1956.....	12.4	400
1957.....	15.9	325
1958.....	17.0	250
1959.....	15.0	2/ 200-300

1/ Crop year basis. 2/ Unofficial estimate.

For the past 3 years the United States has supplied all Canadian dried apple imports, and for many years has been the chief supplier. Dried apples are rarely seen in Canadian retail stores; practically all dried apples produced and imported are used in the production of mincemeat.

DRIED APPLES: Canada, imports from specified countries,
average 1952-56, annual 1956-58, and January-May 1959

Country of origin	Average 1952-56	1956	1957	1958	Jan.-May 1959
	<u>Short tons</u>	<u>Short tons</u>	<u>Short tons</u>	<u>Short tons</u>	<u>Short tons</u>
United States.....	1,152	742	878	822	441
Other countries.....	100	0	0	0	10
Total.....	1,252	742	878	822	451

INDIA ANNOUNCES COTTON IMPORT QUOTA

In early October, India announced an import quota for cotton totaling 180,000 bales of 400 pounds gross (equivalent to about 147,000 bales of 500 pounds gross). Allocations by staple lengths are as follows:

- (1) 100,000 bales of 1-3/16 inches and above to established mills;
- (2) 50,000 bales of 1-1/16 inches and above to new mills;
- (3) 15,000 bales of 1-1/16 inches up to 1-3/16 inches and
15,000 bales of 1-3/16 inches and over to mills qualifying
under the textile export incentive scheme.

Additional import allocations that may be made later will be published in Foreign Crops and Markets as available.

COTTON CONSUMPTION PROSPECTS IMPROVE IN NORWAY

Heavy sales of cotton goods since last summer in Norway have led to a significant reduction in textile inventories. Consequently, mills are now operating at full capacity with orders on hand to cover maximum operations through the first half of 1959-60. The consumption outlook for the full 1959-60 season is for an increase of at least 10 percent from last year's level of 20,000 bales (500 pounds gross).

Increasing consumption and the need to replenish the low stocks of cotton on hand July 31, 1959, should result in larger cotton imports this season. The United States share of the Norwegian market is expected to be larger than last season, when there was a substantial shift to less expensive foreign growths.

Imports into Norway during 1958-59 totaled 18,000 bales--down 5 percent from imports of 19,000 bales in 1957-58. U.S. cotton, which customarily makes up most of Norway's imports, accounted for only 7,000 bales, or 39 percent of the 1958-59 imports, compared with 18,000 bales, or 95 percent, in 1957-58.

Quantities imported from principal sources other than the United States in 1958-59, with comparable 1957-58 figures in parentheses, were: Mexico 8,000 bales (0); Paraguay 1,000 (110); and Peru 1,000 (335).

End-season cotton stocks on July 31, 1959, were estimated at 3,000 bales, compared with 5,000 bales on hand a year earlier.

TRANSSHIPMENTS OF MEXICAN COTTON INCREASE IN 1958-59

Transshipments of Mexican cotton through U. S. ports were 855,000 bales (500 pounds gross) in the 1958-59 season (August-July). This was an increase of 14 percent from the 749,000 bales transshipped in the 1957-58 season.

Principal destinations in August-July 1958-59, with comparable 1957-58 figures in parentheses, were: West Germany 170,000 bales (132,000); Japan 169,000 (167,000); Italy 97,000 (37,000); United Kingdom 91,000 (107,000); Belgium 59,000 (79,000); Netherlands 44,000 (94,000); France 37,000 (33,000); and Australia 37,000 (16,000).

Transshipments in July 1959 were 56,000 bales, compared with 45,000 bales in July 1958. U. S. ports through which most July 1959 transshipments moved were: Brownsville 54,000 bales; Los Angeles 1,000; and Houston 439.

SYRIA EXPECTS SMALLER COTTON CROP

Preliminary estimates place Syria's 1959-60 cotton crop at 400,000 bales (500 pounds gross). This is 10 percent less than last year's production of 443,000 bales, and 19 percent below the record crop of 492,000 bales in 1957-58. The smaller crop is attributed to an acreage decline of 11 percent--from 644,000 acres in 1958-59 to 575,000 this season, and to unfavorable weather during the growing season.

Cotton consumption in Syria during 1958-59 continued the uptrend of recent years and reached a new high of 60,000 bales--up 20 percent from the 50,000 bales used in 1957-58. The increase reflects the strong domestic demand for cotton goods and expansion of the local mill industry. Further consumption increases are expected this season as additional mills and equipment begin operations.

Exports of an estimated 385,000 bales of cotton from Syria in 1958-59 were 10 percent below record exports of 427,000 bales in 1957-58. There was a significant shift in exports in 1958-59; less cotton went to the Sino-Soviet Bloc, and more to Western European countries. Communist countries received 83,000 bales or 22 percent of total exports last season, against 169,000 bales or 40 percent in 1957-58, with sharpest declines shown for Communist China and the U.S.S.R. Exports to Spain increased sharply as the result of a U.A.R.-Spanish trade agreement under which Syrian and Egyptian cotton were exchanged for Spanish wheat flour.

Approximate quantities exported to principal destinations during 1958-59, with comparable 1957-58 figures in parentheses, were: France 113,000 bales (100,000); Spain 53,000 (0); Russia 45,000 (74,000); Japan 38,000 (11,000); Bulgaria 18,000 (10,000); Italy 18,000 (12,000); and Rumania 17,000 (4,000).

Prices of Syrian cotton have been about steady to stronger on world import markets recently. On October 22, Syrian SM 1-1/16 inches cotton, c.i.f. 4 major markets, averaged 27.81 cents per pound.

Beginning cotton stocks on August 1, 1959, were estimated at 25,000 bales, compared with 27,000 bales a year earlier.

TURKISH COTTON EXPORTS UP SHARPLY IN 1958-59

Turkish cotton exports of 325,000 bales (500 pounds gross) during the 1958-59 season (August-July) were $2\frac{1}{2}$ times the 130,000 bales exported in 1957-58. This sizable increase was attributed largely to high export premiums, larger supplies of higher-quality cotton, and a reduced domestic offtake during the first part of 1958-59.

Turkey shipped cotton to 18 countries in 1958-59, compared with only 4 in the preceding year. Principal destinations of exports in 1958-59, with comparable 1957-58 figures in parentheses, were: Italy 94,000 bales (71,000); West Germany 66,000 (20,000); France 40,000 (22,000); United Kingdom 30,000 (16,000); Finland 23,000 (0); Belgium 15,000 (0); Hungary 11,000 (0); Japan 9,000 (0); Netherlands 8,000 (0); Czechoslovakia 7,000 (0); and Yugoslavia 5,000 (0).

Exports may decline in 1959-60 because of an expected increase in domestic consumption and the need to rebuild mill stocks from their relatively low levels at the beginning of the season. Prices of Turkish cotton have strengthened recently in world import markets. On October 16, Izmir, Acala 1A, SM 1-1/16 inches cotton averaged 28.24 cents a pound on 4 major markets, compared with 27.80 cents in early September.

Turkey's 1959-60 cotton acreage is down slightly from about 1,560,000 acres planted in 1958-59. However, as a result of particularly favorable conditions in the Adana area, this season's production may equal last year's high level of 825,000 bales.

After increasing steadily in the past few years, cotton consumption declined somewhat during the first half of last season in the face of weaker demand and large stocks of finished goods. Consumption picked up in the second half of 1958-59 after a decline in textile prices, and consumption for the full season was close to the 520,000 bales used in 1957-58.

Expansion in the domestic textile industry continues. As of June this year 69 mills were in operation with a total of 13,396 looms and 715,036 spindles. Eight additional mills reportedly will begin operating within the next 2 years. Turkey could become a cotton importer in the near future if its expanding textile industry operates at maximum capacity.

Cotton stocks of an estimated 115,000 bales on July 31, 1959, were 18 percent below beginning stocks of 140,000 bales.

MOROCCAN FLAXSEED OUTPUT UP IN 1959

Moroccan flaxseed production in 1959 was 863,340 bushels, an increase of 15 percent from 1958. The acreage this year was 105,190. This was 16,700 acres below last year, but better average yields--8.2 bushels per acre against 6.1 bushels--more than offset the reduced acreage.

The 1959 crop, harvested in July and August, is now in the hands of grain exporters, but export licenses are not being granted pending price negotiations with France. France normally is the only export market for Moroccan flaxseed because of arrangements in previous years whereby France supported the price of Moroccan flaxseed at French ports, but no agreement has been reached regarding payment for the 1959 crop.

BRAZIL EXPECTS LARGER FLAXSEED CROP

Brazil's 1959 flaxseed crop (harvested in November and December) is forecast at 1.2 million bushels, assuming favorable weather will prevail. This would be substantially larger than the 1958 crop of around 984,000 bushels.

The increase is attributed to a sizable expansion in area and better weather than in 1958. Many farmers in Rio Grande do Sul, where the bulk of the crop is grown, planted flax on diverted wheat land and some planted flax along with wheat. The intermingling of the 2 crops resulted from a desire to maintain wheat areas for financing purposes. The switching from wheat to flax was stimulated by high flaxseed prices and disappointment with wheat yields and prices in 1958.

Official foreign trade statistics show very little Brazilian trade in flaxseed and linseed oil. However, sizable quantities of contraband seed and oil are believed to enter Rio Grande do Sul from Uruguay and Argentina.

AUSTRALIA GROWING MORE FLAXSEED; LINSEED OIL IMPORTS TO DROP

A larger Australian flaxseed crop in 1959 is expected to substantially reduce linseed oil imports during the current fiscal year.

LINSEED OIL: Australia, production, imports and total supply, fiscal years beginning July 1, 1957-59

Item	1957-58	1958-59 <u>1/</u>	1959-60 <u>2/</u>
	<u>Short tons</u>	<u>Short tons</u>	<u>Short tons</u>
Domestic production <u>3/</u>	4,000	4,500	9,000
Imports.....	12,596	11,425	7,500
Total supply.....	16,596	15,925	16,500

1/ Preliminary. 2/ Forecast. 3/ All from domestic flaxseed.

Flaxseed acreage this year is slightly below the record acreage planted in 1957, but is 2.5 times greater than in 1958. In 1958, acreage was reduced sharply in Queensland--the major producing area--because of exceptionally poor yields in 1957. However, 1958 yields were good and acreage again expanded in 1959. The fourfold increase in Victoria's acreage this year was due to low prices for feed grains (the alternative crops for flaxseed) and closing of flax fiber-processing plants in that area, which led farmers to plant flax for seed rather than fiber.

FLAXSEED 1/: Australia, acreage and production by states,
1957-58 through 1959-60

State	Acreage			Production		
	1957-58	1958-59	1959-60 <u>2/</u>	1957-58	1958-59	1959-60 <u>2/</u>
	1,000 acres	1,000 acres	1,000 acres	1,000 bushels	1,000 bushels	1,000 bushels
Queensland.....	90.2	22.8	55.0	291.0	260.4	480.0
Victoria.....	4.1	7.0	30.0	46.0	84.1	400.0
New South Wales.....	2.3	4.6	8.0	1.4	47.8	80.0
Other.....	.8	1.0	1.1	4.6	7.7	6.0
Total.....	97.4	35.4	94.1	343.0	400.0	966.0

1/ The bulk of the crop is harvested in the latter months of the first year given. 2/ Estimates based on reports from the State Agricultural Departments and trade sources.

Australia imported 502 short tons of linseed oil from the United States in 1957-58, but none in 1958-59 because prices were not competitive with the traditional major suppliers, India and Argentina. Origin of linseed oil imports in 1958-59 from non-U. S. sources, with comparable 1957-58 figures in parentheses, were: India 8,013 short tons (6,852); Argentina 3,409 (4,680); Netherlands 0 (556); and other countries 2 (6).

Linseed oil consumption this year should remain around 16,500 tons. Despite the introduction of paints with a resinous base, general industrial expansion will offset the drop in use caused by the new paints.

U.K. OILCAKE AND MEAL NEEDS UP SHARPLY

The prolonged drought of the past summer in the United Kingdom has created a strong demand for oilcakes and meals there. Local grass and hay crops were well below normal, and feeding started 2 months earlier than usual.

The demand for oilcake and meal also is stimulated by the rapidly expanding broiler and turkey industries. These industries will probably require 22,000 to 33,000 short tons more oilcake in the coming marketing year than in the previous year.

Imports during the first 8 months of 1959 were one-third above January-August imports last year, and indications are that in 1959 imports will exceed 1.5 million tons, or one-fourth more than in 1958. More soybean meal was imported in January-August 1959 than throughout 1958. Sunflower seed meal imports were heavy during the early months of the year, but reduced Argentine supplies have pushed prices upward and imports have dropped off considerably in recent months. (Continued on page 28)

Official Business

Domestic production of oilcake and meal--entirely from imported oil-seeds--was up sharply during the first 6 months of 1959. Total production was 372,000 tons, against 307,000 tons in January-June of 1958.

OILCAKE AND MEAL: United Kingdom, imports by kind
annual 1958, and January-August 1958 and 1959

Item	1958	January-August	
		1958	1959 ^{1/}
	1,000 short tons	1,000 short tons	1,000 short tons
Cottonseed.....	338.3	191.6	259.8
Peanut.....	517.1	286.9	372.8
Linseed.....	73.6	49.1	36.0
Soybean.....	87.6	44.5	111.7
Sunflower seed.....	127.9	66.5	83.4
Other.....	62.7	37.3	49.1
Total.....	1,207.2	675.9	912.8

^{1/} Preliminary.

Accounts Relating to Trade and Navigation of the United Kingdom, August 1959.